



STATE OF CALIFORNIA  
**ELECTRICITY OVERSIGHT BOARD**

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## **MEMORANDUM**

Date: April 13, 2001

To: Electricity Oversight Board Members

Ms. Kari Lynn Dohn, Member  
Mr. Bruce G. Willison, Member  
Senator Debra Bowen, Member  
Assemblyman Roderick D. Wright, Member

From: M. Catherine George, Staff Counsel

**Re: Agenda Item 5**  
**Consideration of and Possible Action on Amendments to the California**  
**Independent System Operator Corporation's Bylaws to Conform to**  
**Assembly Bill 5X**

**This item requires Board action.**

At the Electricity Oversight Board's (EOB or Board) last public meeting, the Board directed the California Independent System Operator Corporation (CAISO) to review its corporate bylaws and articles and report back to the Board on revisions necessary to conform these documents to the provisions of Assembly Bill (AB) 5X. Since that time, CAISO management has worked with EOB staff to identify necessary changes to the bylaws. Neither CAISO nor EOB staff has identified any changes necessary to the articles of incorporation.

Pursuant to state statute and relevant provisions of the CAISO bylaws,<sup>1</sup> the EOB must approve amendments to the bylaws pertaining to the governance structure of the CAISO. The amendments must also be filed for acceptance at the FERC. This matter was placed on today's agenda in anticipation of scheduled action by the CAISO board of governors on proposed bylaws amendments at its April 12, 2001 meeting. Because the CAISO board acted on these amendments only yesterday, CAISO management has not yet forwarded a written explanation of the adopted changes together with a formal request for EOB approval. Nevertheless, informally they have requested that you consider and take appropriate action on the bylaws amendments approved yesterday by that board.

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<sup>1</sup> See, Cal. Pub. Util. Code § 339(b)(8) (added by SB 96); CAISO Corporate Bylaws, Article IX, Section 3.

Attachment A to this memorandum identifies the changes that were approved by the CAISO board of governors yesterday. Attachment B contains the pages of the bylaws that are affected by the proposed amendments. EOB staff have reviewed and analyzed the proposed amendments. In the context of each change discussed in Attachment A, we note those changes that are not technically required by the language of AB 5X but are necessary to eliminate provisions rendered irrelevant by AB 5X, are otherwise necessary for internal consistency, or were required by prior statutory amendment (Senate Bill 96) but have not yet been approved by the EOB (*see* Change Number 16). With the exception to one of the modifications proposed in Change Number 5, it is EOB staff's opinion that, collectively, the proposed amendments bring the CAISO bylaws into conformance with statute as amended by AB 5X. As such, we recommend that that you approve them by the following motion:

***MOVED, that the Electricity Oversight Board hereby approves the amendments to the CAISO bylaws subject to the deletion of the phrase "For so long as the State of California is the only Participating State" from proposed Change Number 5.***

Please let us know if you have questions or concerns about these amendments so that we can be prepared to address them on April 18. Mr. Richard Jacobs, Senior Corporate Counsel and Assistant Secretary for the CAISO will also be present at the meeting to answer your questions.

*Attachments*